UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

ENDO PHARMACEUTICALS INC. and PENWEST PHARMACEUTICALS CO.,	)	
Plaintiffs,	)	
	)	C.A. No. 08-1563 (KSH) (PS)
v.	)	C.A. No. 08-3482 (KSH) (PS)
ACTAVIS SOUTH ATLANTIC LLC,	)	Consolidated
Defendant.	)	

STIPULATION OF DISMISSAL AND ORDER

WHEREAS, plaintiff Penwest Pharmaceuticals Co. ("Penwest") is the assignee and owner of U.S. Patent 5,958,456 (the "Asserted Patent");

WHEREAS, plaintiff Endo Pharmaceuticals Inc. ("Endo", and together with Penwest, the "Plaintiffs") is an exclusive licensee of the Asserted Patent in the relevant field of use pursuant to a strategic alliance agreement with Penwest;

WHEREAS, defendant Actavis South Atlantic, LLC ("Defendant") has submitted to the U.S. Food and Drug Administration Abbreviated New Drug Application No. 79-046 ("Defendant ANDA") for approval to market and sell generic oxymorphone HCl extended-release tablets ("Defendant Products");

WHEREAS, Plaintiffs and Defendant are parties to litigation relating to the Defendant ANDA, the Asserted Patent and U.S. Patent Nos. 5,128,143, 5,662,993, and 7,276,250 (together with the Asserted Patent, the "Plaintiff Patents"); and

WHEREAS, Plaintiffs and Defendant have entered into a Settlement and License Agreement, dated as of February 20, 2009 ("Settlement Agreement"), which is hereby incorporated by reference, pursuant to which the parties have resolved the above-referenced actions and Plaintiffs have granted to Defendant a non-exclusive license and/or covenant not to sue under the Plaintiff Patents in the United States.

NOW, THEREFORE, Plaintiffs and Defendant stipulate that:

1. Defendant, its affiliates and their respective officers, agents, servants, employees and attorneys, and those persons in active concert or participation with Defendant, are enjoined until the applicable Commencement Date (as defined in the Settlement Agreement) from engaging in the manufacture, use, offer to sell, or sale within the United States, or importation into the United States, of any product that is marketed and/or sold under the Defendant ANDA, except to the extent such activities are otherwise permitted under the Settlement Agreement and/or under 35 U.S.C. § 271(e)(1).

2. All claims and counterclaims in the above-referenced actions are dismissed with prejudice.

3. Nothing in this Stipulation and Order shall affect or otherwise delay the effective date of approval of the Defendant ANDA.

4. Each party shall bear its own costs, expenses and attorneys' fees in connection with the above-referenced actions.

5. The parties waive any right of appeal from this Stipulation and Order.

6. The Court retains jurisdiction over this Stipulation and Order, and the interpretation the Settlement Agreement as it pertains to this Stipulation and Order, in the event of any dispute concerning it

7. The Order entered *sua sponte* by the Court on February 19, 2009 is hereby vacated, and this Stipulation and Order is entered in its place.

IT IS SO ORDERED, this 25th day of February, 2009.

Hon. Katharine S. Hayden, U.S.D.J.

Stipulated as to form and entry:

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